



COUNCIL CHAMBERS
17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS

Dennis Kennedy, Mayor
Mark Grzan, Mayor Pro Tempore
Larry Carr, Council Member
Greg Sellers, Council Member
Steve Tate, Council Member

REDEVELOPMENT AGENCY

Dennis Kennedy, Chair
Mark Grzan, Vice-Chair
Larry Carr, Agency Member
Greg Sellers, Agency Member
Steve Tate, Agency Member

WEDNESDAY, MAY 3, 2006

AGENDA

JOINT MEETING

CITY COUNCIL SPECIAL & REGULAR MEETING

and

REDEVELOPMENT AGENCY REGULAR MEETING

5:30 P.M.

A Special Meeting of the City Council is Called at 5:30 P.M. for the Purpose of Conducting Interviews for the Architectural Review Board, Mobile Home Rent Commission, and Senior Advisory Commission.

Dennis Kennedy, Mayor/Chairman

CALL TO ORDER

(Mayor/Chairperson Kennedy)

ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency Secretary Torrez)

5:30 P.M.

City Council Action

INTERVIEWS:

	Time Estimate		Page
1.	75 Minutes	<u>INTERVIEWS TO FILL VACANCIES ON THE ARCHITECTURAL REVIEW BOARD, MOBILE HOME RENT COMMISSION AND SENIOR ADVISORY COMMISSION</u>	8
		<u>Recommended Action(s):</u>	
1.		<u>Council Discussion</u> Regarding the Characteristics and Traits Council is Seeking in Candidates to serve on the Architectural Review Board, Mobile Home Rent Commission and Senior Advisory Commission;	
2.		<u>Conduct</u> Interviews;	
3.		<u>Identify</u> Top Candidates Up to the Number of Vacancies Available on these Commissions, Plus 1, as Deemed Appropriate; and	
4.		<u>Mayor to Return with Recommended Appointments</u> for Council Discussion and Ratification of Appointments.	

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

RECOGNITIONS

Community Conversation Citizen Facilitators
Kathy & Brian Sullivan, Chuck Dillman, Joe Mueller, and Dan Ehrler

PROCLAMATIONS

“National Public Works Week” – May 21 thru May 27, 2006
Director of Public Works Ashcraft

“Bike to Work Week” – May 14 thru May 20, 2006
Bicycle & Trails Committee Member

PRESENTATIONS

Community Cycling Awareness Award
Bicycle & Trails Committee Member

Environmental Poster Contest
Program Administrator Eulo

Science Fair Winners
Program Administrator Eulo

Chamber of Commerce Environmental Awards:
Chamber of Commerce Executive Director Ehrler

Sustainable Quality Awards Winners:
Hospira, Inc.
Specialized Bicycles

Excellence Awards:
St. Catherine Parish & School
Anritsu Company
Weston Miles Architects, Inc.
Comcast Morgan Hill Call Center
Heritage Bank of Commerce

Recyclers of the Year:
Morgan Hill Post Office
The Morris Family
San Martin Post Office

CITY COUNCIL REPORT
Council Member Grzan

CITY COUNCIL COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

City Council and Redevelopment Agency Action

ADOPTION OF AGENDA

City Council Action

CONSENT CALENDAR:

ITEMS 2-7

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

2. [COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR UPDATING THE BIKEWAYS MASTER PLAN](#)11
Recommended Action(s):
 1. Approve the Resolution Supporting Transportation Development Act (TDA) Article 3 Grant Funding for \$28,000 to Update the 2001 Bikeways Master Plan; and
 2. Appropriate \$6,000 from the City's Current Year Unappropriated Parks Maintenance Fund Balance (302) to Cover CIP Administration Expenses.
3. [DEVELOPMENT OF A BMX PARK ON THE CENTENNIAL RECREATION CENTER SITE](#).....15
Recommended Action(s):
 1. Receive Staff Report and Parks and Recreation Commission Recommendation; and
 2. Approve the Development of a BMX Park to be Located at the Northwest Corner of the Centennial Recreation Center Site.
4. [AMENDMENT TO CONTRACT PROVIDING PLAN CHECKING SERVICES ON AN AS-NEEDED BASIS](#)16
Recommended Action(s):
 1. Approve Amendment to the Contract with Harris & Associates to Increase the Contract Amount by \$40,000; and
 2. Authorize the City Manager to Execute the Contract Amendment; Subject to Review and Approval by the City Attorney.
5. [LEGISLATIVE RECOMMENDATIONS FROM UTILITIES AND ENVIRONMENT COMMITTEE](#)17
Recommended Action(s): Direct Staff to a Draft Letter of Support for the Mayor's Signature on AB 32, AB 2271, and AB 3001.
6. [SUPPORT OF COUNTY PARKS CHARTER MEASURE](#)23
Recommended Action(s): Adopt Resolution Supporting County Parks Charter Amendment Measure.
7. [BI-ANNUAL VACANCY RATE SURVEY](#)24
Recommended Action(s): Establish the Bi-Annual Vacancy Rate for April 2006 as Recommended by the Planning Commission.

Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 8-9

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
8.	<u>CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT MARKETING PLAN FOR FISCAL YEAR 2006-2007</u>	25
	Recommended Action(s): <u>Adopt</u> the Council Community and Economic Development Committee's Recommendation to Authorize the Executive Director to allocate \$125,000 in the Business Assistance and Housing Services Fiscal Year 2006-2007 Budget for the Morgan Hill Chamber of Commerce's Economic Development Partnership Program.	
9.	<u>COMMUNICATIONS FIRM – JDS GROUP</u>	26
	Recommended Action(s): <u>Authorize</u> the Executive Director to Negotiate and Execute a Contract with JDS Group in an Amount not to exceed \$55,000; Subject to Review and Approval by the Agency Counsel.	

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 10

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
10.	<u>APPROVE JOINT SPECIAL AND REGULAR CITY COUNCIL AND REGULAR REDEVELOPMENT AGENCY MEETING MINUTES FOR APRIL 19, 2006</u>	27

City Council Action

PUBLIC HEARINGS:

	Time Estimate	Page
11.	20 Minutes	
	<u>GENERAL PLAN AMENDMENT, GPA-06-01/ REZONING APPLICATION, ZA-06-02: LAUREL-CITY OF MORGAN HILL</u>	28
	Public Hearing Opened.	
	Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
	Council Discussion.	
	Action- <u>Adopt</u> Mitigated Negative Declaration.	
	Action- <u>Adopt</u> Resolution Approving General Plan Amendment.	
	Action- <u>Motion to Waive</u> the Reading in Full of Zoning Amendment Ordinance.	
	Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	

City Council Action

OTHER BUSINESS:

	Time Estimate		Page
12.	30 Minutes	<u>CENTENNIAL RECREATION CENTER YMCA OPERATING AGREEMENT</u>	35
		<u>Recommended Action(s):</u> <u>Authorize</u> the City Manager to Execute a Contract with the YMCA of Santa Clara Valley for the Operation of the Centennial Recreation Center's Health/Fitness and Senior Programs.	

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

PUBLIC COMMENTS ON ITEMS *NOT* APPEARING ON AGENDA

Following the opening of Council/Agency business, the public may present comments on items *NOT* appearing on the agenda that are within the Council's/Agency's jurisdiction. Should your comments require Council/Agency action, your request will be placed on the next appropriate agenda. No Council/Agency discussion or action may be taken until your item appears on a future agenda. You may contact the City Clerk/Agency Secretary for specific time and dates. This procedure is in compliance with the California Public Meeting Law (Brown Act) G.C. 54950.5. Please limit your presentation to three (3) minutes.

PUBLIC COMMENTS ON ITEMS APPEARING ON AGENDA

The Morgan Hill City Council/Redevelopment Agency welcomes comments from all individuals on any agenda item being considered by the City Council/Redevelopment Agency. Please complete a Speaker Card and present it to the City Clerk/Agency Secretary. This will assist the Council/Agency Members in hearing your comments at the appropriate time. Speaker cards are available on the table in the foyer of the Council Chambers. In accordance with Government Code 54953.3 it is not a requirement to fill out a speaker card in order to speak to the Council/Agency. However, it is very helpful to the Council/Agency if speaker cards are submitted. As your name is called by the Mayor/Chairman, please walk to the podium and speak directly into the microphone. Clearly state your name and address and then proceed to comment on the agenda item. In the interest of brevity and timeliness and to ensure the participation of all those desiring an opportunity to speak, comments presented to the City Council/Agency Commission are limited to three minutes. We appreciate your cooperation.

NOTICE

AMERICANS WITH DISABILITIES ACT (ADA)

The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City. If you need special assistance to access the meeting room or to otherwise participate at this meeting, including auxiliary aids or services, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation. Please make your request at least 48 hours prior to the meeting to enable staff to implement reasonable arrangements to assure accessibility to the meeting.

If assistance is needed regarding any item appearing on the City Council/Agency Commission agenda, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation.

NOTICE

Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council/Agency Commission at, or prior to the Public Hearing on these matters.

NOTICE

The time within which judicial review must be sought of the action by the City Council/Agency Commission which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.



CITY COUNCIL STAFF REPORT

MEETING DATE: May 3, 2006

Agenda Item # 1

Prepared By:

**Council Services &
Records Manager/
City Clerk**

Submitted By:

City Manager

INTERVIEWS TO FILL VACANCIES ON THE ARCHITECTURAL REVIEW BOARD (ARB), MOBILE HOME RENT COMMISSION AND THE SENIOR ADVISORY COMMISSION

RECOMMENDED ACTIONS:

1. Council **discussion** about the characteristics/traits it is seeking in candidates to serve on the ARB, Mobile Home Rent Commission and the Senior Advisory Commission;
2. Council to **conduct** interviews;
3. Council to **identify** top candidates up to the number of vacancies available on these Commissions, plus 1, as deemed appropriate; and
4. Mayor to **return with recommended** appointments for Council discussion and ratification of appointments

EXECUTIVE SUMMARY:

At the July 6, 2005 meeting, the Council agreed to proceed with the Mayor's fundamental principles for a recruitment, interview and appointment process (attached). The Council used these fundamental principles on April 19, 2006 when the Council interviewed to fill vacancies on the Library, Culture & Arts and Parks & Recreation Commissions.

Senior Advisory Commission

On April 26, the City Council adopted an ordinance that amends Title 2, Administration and Personnel, of the Morgan Hill Municipal Code in various sections. One section of the Ordinance adds the Senior Advisory Commission to the Municipal Code with terms commencing on June 1, 2006. The Ordinance will become effective on May 27, 2006. The Senior Advisory Commission will replace the Senior Advisory Committee. Therefore, the Council will need to interview individuals to fill this seven-member commission. All Senior Advisory Committee members were invited to apply for Senior Advisory Commission appointments.

The City is in receipt of seven applications for appointments to the Senior Advisory Commission. The Council is being asked to interview the following individuals: Betty Ancheta, Susan Fent, Betty Gigliotti, Staten Johnson, Jeanette Riley, Gloria Subocz, and William M. Quenneville, Sr. (Applications attached.)

ARB

There are two (2) vacancies on the ARB. One (1) application was received at the time of writing this report. There may be one more individual submitting an application before the Council's May 3 meeting. The Council is being asked to interview Jon Maxey. (Application attached.)

Mobile Rent Commission

There are three (3) vacancies on the Mobile Home Rent Commission. The three incumbents whose terms are due to expire have submitted applications for reappointment. The Council is being asked to interview Chuck Dillmann, Robert Graham, and John Liegl.

FISCAL IMPACT: None

FUNDAMENTAL PRINCIPLES FOR A RECRUITMENT, INTERVIEW AND APPOINTMENT PROCESS

1. Conduct active outreach for candidates
2. Council discussion of expectations of Board, Commission or Committee members
3. Application questionnaire to focus on Council expectations
4. Council to conduct interviews
5. Individual council members have the opportunity to suggest top candidates
6. Mayor should have at least one week to consider Council suggestions and other factors, including the need for continuity, match up candidates with needs, etc.
7. Mayor makes appointments subject to Council ratification, after further Council discussion.

The specific process is as follows:

- Council to identify the characteristics it is looking for in candidates to be appointed on boards, commissions and committees prior to conducting interviews.
- Council to identify specific questions to be included in the Board, Commission, or Committee applications relative to their charge
- Include a question for incumbents to inquire whether they are currently serving as chair/vice-chair, next in line to serve as chair/vice-chair to the board or commission, and/or are assigned to a special project
- Council to conduct interviews and ask clarifying questions.
- Council to discuss the characteristics of each candidate (e.g., new voice, experience, etc.)
- Each Councilmember would identify their top candidates to fill vacancies plus one. Councilmembers can vote for the number of candidates for vacancies available plus one. (See attached)
- Mayor to consider Council members' top candidates; returning to the Council at a following meeting with a recommended appointment(s)
- Council to discuss recommended appointment(s)
- Council ratifies the Mayor's appointment

**DENNIS KENNEDY, MAYOR
JULY 6, 2005**

INTERVIEW/APPOINTMENT BALLOT PROCESS

There are 3 vacancies on the Commission. Please identify your top 3 candidates plus 1 additional individual.

	Carr	Grzan	Kennedy	Sellers	Tate	Recommended Appointments
Applicant 1	X		X			2 top candidate votes received
Applicant 2		X	X	X	X	4 top candidate votes received
Applicant 3	X	X		X	X	4 top candidate votes received
Applicant 4		X	X	X		3 top candidate votes received
Applicant 5	X	X	X	X	X	5 top candidate votes received
Applicant 6	X				X	2 top candidate votes received

Mayor evaluates the Council's top candidate recommended appointments, taking into consideration other factors before returning to the Council with a recommendation (e.g., is an applicant serving as chair, is assigned to a special project, is familiar with local governance, etc.)



CITY COUNCIL STAFF REPORT

MEETING DATE: MAY 3, 2006

COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR UPDATING THE BIKEWAYS MASTER PLAN

RECOMMENDED ACTION(S):

1. Approve the attached Resolution supporting TDA Article 3 grant funding for \$28,000 to update the 2001 Bikeways Master Plan.
2. Appropriate \$6,000 from the City's current year's un-appropriated Parks Maintenance Fund Balance (302) to cover CIP administration expenses.

EXECUTIVE SUMMARY: On March 23, 2006, the Santa Clara Valley Transportation Authority (VTA) released a Call for Projects for the Transportation Development Act (TDA) Article 3 Program funding cycle. The TDA funding opportunity is intended for bicycle and pedestrian use. More specifically, project eligibility includes; bicycle parking, maintenance of Class I and Class II facilities, safety education programs, design and construction of bicycle/pedestrian projects, and comprehensive bicycle/pedestrian plans.

The Bicycle Trails Advisory Committee has approved the application for TDA Article 3 funds for the purposes of updating of the 2001 Bikeways Master Plan. On April 12, 2006, Staff submitted an application for this request. Refer to Attachment II.

A Council Resolution in support of updating the Bikeways Master Plan is required prior to May 30, 2006 in order to obtain funding from the VTA TDA Article 3 program.

No environmental clearances are required for updating the Bikeways Master Plan.

FISCAL/RESOURCE IMPACT: The City will be responsible for the costs associated with CIP administration of approximately \$6,000. Staff recommends that Council appropriate these funds from our current year's un-appropriated Parks Maintenance Fund Balance (302).

Agenda Item # 2

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

RESOLUTION NO.

**COUNCIL RESOLUTION SUPPORTING GRANT FUNDING
FOR UPDATING THE BIKEWAYS MASTER PLAN**

Re: Request to the Metropolitan Transportation Commission for the allocation of fiscal year 2006/07 Transportation Development Act Article 3 Pedestrian/Bicycle project funding

WHEREAS, Article 3 of the Transportation Development Act (TDA), Public Utilities Code (PUC) Section 99200 et seq., authorizes the submission of claims to a regional transportation planning agency for the funding of projects exclusively for the benefit and/or use of pedestrians and bicyclists; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the regional transportation planning agency for the San Francisco Bay region, has adopted MTC Resolution No. 875, Revised, entitled "Transportation Development Act, Article 3, Pedestrian/Bicycle Projects," which delineates procedures and criteria for submission of requests for the allocation of "TDA Article 3" funding; and

WHEREAS, MTC Resolution No. 875, Revised requires that requests for the allocation of TDA Article 3 funding be submitted as part of a single, countywide coordinated claim from each county in the San Francisco Bay region; and

WHEREAS, the **CITY OF MORGAN HILL** desires to submit a request to MTC for the allocation of TDA Article 3 funds to support the projects described in Attachment B to this resolution, which are for the exclusive benefit and/or use of pedestrians and/or bicyclists; now, therefore, be it

RESOLVED, that the **CITY OF MORGAN HILL** declares it is eligible to request an allocation of TDA Article 3 funds pursuant to Section 99234 of the Public Utilities Code, and furthermore, be it

RESOLVED, that there is no pending or threatened litigation that might adversely affect the project or projects described in Attachment B to this resolution, or that might impair the ability of the **CITY OF MORGAN HILL** to carry out the project; and furthermore, be it

RESOLVED, that the **CITY OF MORGAN HILL** attests to the accuracy of and approves the statements in Attachment A to this resolution; and furthermore, be it

RESOLVED, that a certified copy of this resolution and its attachments, and any accompanying supporting materials shall be forwarded to the congestion management agency, countywide transportation planning agency, or county association of governments, as the case may be, of **COUNTY OF SANTA CLARA** for submission to MTC as part of the countywide coordinated TDA Article 3 claim.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its regular meeting of May 3, 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CERTIFICATION

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____. Adopted by the City Council at the Regular City Council Meeting of May 3, 2006.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO.

Attachment A

COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR UPDATING THE BIKEWAYS MASTER PLAN

Re: Request to the Metropolitan Transportation Commission for the Allocation of Fiscal Year 2006/07
Transportation Development Act Article 3 Pedestrian/Bicycle Project Funding

Findings

Page 1 of 1

1. That the **CITY OF MORGAN HILL** is not legally impeded from submitting a request to the Metropolitan Transportation Commission for the allocation of Transportation Development Act (TDA) Article 3 funds, nor is the **CITY OF MORGAN HILL** legally impeded from undertaking the project(s) described in “Attachment B” of this resolution.
2. That the **CITY OF MORGAN HILL** has committed adequate staffing resources to complete the project(s) described in Attachment B.
3. A review of the project(s) described in Attachment B has resulted in the consideration of all pertinent matters, including those related to environmental and right-of-way permits and clearances, attendant to the successful completion of the project(s).
4. Issues attendant to securing environmental and right-of-way permits and clearances for the projects described in Attachment B have been reviewed and will be concluded in a manner and on a schedule that will not jeopardize the deadline for the use of the TDA funds being requested.
5. That the project(s) described in Attachment B comply with the requirements of the California Environmental Quality Act (CEQA, Public Resources Code Sections 21000 et seq.).
6. That as portrayed in the budgetary description(s) of the project(s) in Attachment B, the sources of funding other than TDA are assured and adequate for completion of the project(s).
7. That the project(s) described in Attachment B are for capital construction and/or design engineering; and/or for the maintenance of a Class I bikeway which is closed to motorized traffic; and/or for the purposes of re-striping Class II bicycle lanes; and/or for the development or support of a bicycle safety education program; and/or for the development of a comprehensive bicycle and/or pedestrian facilities plan, and an allocation of TDA Article 3 funding for such a plan has not been received by the **CITY OF MORGAN HILL** within the prior five fiscal years.
8. That the project(s) described in Attachment B which are bicycle projects have been included in a detailed bicycle circulation element included in an adopted general plan, or included in an adopted comprehensive bikeway plan (such as outlined in Section 2377 of the California Bikeways Act, Streets and Highways Code section 2370 et seq.).
9. That any project described in Attachment B that is a “Class I Bikeway,” meets the mandatory minimum safety design criteria published in Chapter 1000 of the California Highway Design Manual.
10. That the project(s) described in Attachment B are ready to commence implementation during the fiscal year of the requested allocation.
11. That the **CITY OF MORGAN HILL** agrees to maintain, or provide for the maintenance of, the project(s) and facilities described in Attachment B, for the benefit of and use by the public.



CITY COUNCIL STAFF REPORT

MEETING DATE: May 3, 2006

Agenda Item # 3

Prepared By:

**Dep Dir
PW/Operations**

Approved By:

Public Works Director

Submitted By:

City Manager

DEVELOPMENT OF A BMX PARK ON THE CENTENIAL RECREATION CENTER SITE

RECOMMENDED ACTION(S):

- 1) Receive staff report and Parks and Recreation Commission's recommendation
- 2) Approve development of a BMX Park to be located at the northwest corner of the Centennial Recreation Center Site

EXECUTIVE SUMMARY: Council approved the development of a modular steel element skate park to be located at the Centennial Recreation Center (CRC) site's northeast corner at its March 22, 2006 meeting thus revising the 2005-06 CIP. Prior to the Council's action, the CIP called for an in-ground concrete Skate/BMX Park at an estimated cost of \$855,000. Council's action on March 22, 2006 changed this concept to a Skate Park with modular steel skateboard ramp elements with a total project cost of \$160,000. Staff informed Council that the proposed new Skate Park ramp elements can be used for both skateboards and bicycles. However, BMX (bike riding on dirt) will not be accommodated.

At its regular meeting of April 18, 2006 the PRC formed a recommendation that a BMX Park be located at the northwest corner of the CRC site (see attached site map). Staff discussed this concept with the Youth Advisory Committee at its May 1, 2006 meeting. Results of that discussion will be communicated to Council tonight. The northwest corner of the CRC site is currently undeveloped. It is planned for expanded parking if needed in the future. 283 parking spaces for the general public exist at the CRC site in addition to 6 parking stalls for the mobility impaired. The 283 parking stalls include 17 shared parking stalls immediately adjacent to the CRC site at Community Park's south end. Developing a 50' x 200' foot section of the future parking area on the CRC site as a BMX Park would still allow an expansion of approximately 84 additional parking stalls for future CRC parking needs.

Staff proposes to utilize a portion of the Measure C CIP funds appropriated by Council for the new Skate Park to develop the BMX Park. Minimal site improvements would be needed, primarily a perimeter fence. In addition, private donations/in-kind services will be solicited to augment project funding for additional improvements.

Staff recommends Council approve the use of the northwest corner of the CRC future parking area to develop a BMX Park, subject to CEQA review.

FISCAL/RESOURCE IMPACT: The construction of a BMX Park will be accomplished using a portion of the Measure C CIP Fees allocated to build the Permanent Skate Park augmented by private funding and/or in-kind services yet to be solicited.



CITY COUNCIL STAFF REPORT

MEETING DATE: *May 3, 2006*

AMENDMENT TO CONTRACT PROVIDING PLAN CHECKING SERVICES ON AN AS-NEEDED BASIS

RECOMMENDED ACTION(S):

1. Approve the attached amendment to the contract with Harris & Associates to increase the contract amount by \$40,000.
2. Authorize the City Manager to execute the contract amendment.

EXECUTIVE SUMMARY: Private land development activity and its associated plan check workload continues to extend beyond our current staff level. As such, additional contract assistance is needed.

In June 2005, the City Council approved a contract with Harris and Associates for \$126,000 to assist Public Works staff with plan checking services (attached as Exhibit "A"). Staff estimated that this contract would cover plan checking services for the entire fiscal year. However, due to the aggressive plan check requirements for the Dinapoli project and the need for a peer review of the City's Storm Water Pollution Prevention Plan the contract funds have been expended sooner than anticipated. Therefore, an additional \$40,000 is needed to cover the cost of plan checking services for the balance of the fiscal year.

The amendment to the attached contract will enable the City to provide timely plan checking services for the remainder of the fiscal year. The funds to pay for these services are collected from the fees paid for land development processing. The FY 05/06 Public Works budget for contract services has sufficient funds to accommodate this action.

FISCAL IMPACT: The additional contract cost for the contract plan checking services is \$40,000 and will be funded from our Contract Services sub-account in the Public Works Community Development Engineering account.

Agenda Item # 4

Prepared By:

Senior Civil Engineer

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: *May 3, 2006*

LEGISLATIVE RECOMMENDATIONS FROM UTILITIES AND ENVIRONMENT SUBCOMMITTEE

RECOMMENDED ACTION(S):

Direct Staff To Draft Letters Of Support For The Mayor's Signature on AB 32, AB 2271, and AB 3001

EXECUTIVE SUMMARY: At their meeting on April 24, 2006, the Utilities and Environment Subcommittee evaluated three California bills and recommended that the City adopt a formal position of support for all three based on the positive impact the legislative proposals will have, if signed into law, on the Morgan Hill environment. These are:

- **AB 32 (Nunez and Pavley):** The California Global Warming Solutions Act of 2006 is the leading legislative vehicle for California to take state action addressing global warming. Its main action is to require the State Air Resources Board to begin tracking and regulating greenhouse gas emissions. Many of these emissions are currently unregulated and are certainly not regulated for their potential to contribute to global warming. This is likely to be a very high profile bill throughout the year.
- **AB 2271 (Koretz):** Building on the successful programs that California already has requiring small deposits on beverage containers, motor oil and tires, AB 2271 will establish a 10¢ deposit on every household battery as defined. These funds will be available to offset the significant costs that the City and other local governments will be facing as more and more residents bring household batteries to household hazardous waste events. Most importantly, it could result in the establishment of a network of battery recycling centers not requiring governmental operation.
- **AB 3001 (Pavley):** Current California law has successfully placed a recycling fee on every new video display terminal sold in the State. Because of these funds, a local firm is now accepting video terminals and other e-waste for recycling using the State recycling subsidy funds. AB 3001 will expand the definition of devices covered by the fee to expand the program and further expand the capabilities of the private sector to recycle e-wastes and eliminate the need for governmental programs to handle these wastes.

The Utilities and Environment Subcommittee recommends that the City formally support AB 32, AB 2271, and AB 3001. The Legislative Counsel's Digest of these bills, as drafted on April 25, is attached.

FISCAL/RESOURCE IMPACT: No budget adjustment is requested for this item. The preparation of this staff report is an included activity in the work program of the Public Works Department.

Agenda Item # 5

Prepared By:

Program Administrator

Approved By:

Public Works Director

Submitted By:

City Manager

AB 32, as amended, Pavley Nunez. Greenhouse gas emissions. Air pollution: California Global Warming Solutions Act of 2006: greenhouse gases.

Under existing law, the State Air Resources Board, the State Energy Resources Conservation and Development Commission (Energy Commission), and the California Climate Action Registry all have responsibilities with respect to the control of emissions of greenhouse gases, as defined, and the Secretary for Environmental Protection is required to coordinate emission reductions of greenhouse gases and climate change activity in state government.

This bill would enact the California Global Warming Solutions Act of 2006, to require the state board to adopt regulations on or before January 1, 2008, establishing a program to monitor and report on existing emissions and changes in emissions of greenhouse gases from sources identified by the state board, and to monitor compliance with emission limits on greenhouse gases, as specified. The bill would provide that the state board is the state agency charged with monitoring, tracking, and regulating the sources and reducing emissions of gases known to cause global warming. The bill would require the state board to adopt regulations, on or before January 1, 2008, to reduce statewide greenhouse gas emissions to 1990 emission levels by 2020, as specified. The bill would require the Governor to establish an interagency task force to coordinate investments of state moneys and state programs that reduce emissions of greenhouse gases, promote economic growth, make information publicly available to assist sources of greenhouse gases to meet the emissions requirements of the bill, ensure that existing state programs support the emissions requirements of the bill, and monitor conditions and coordinate planning and the state's response to changing climate conditions as they impact state water supplies, air quality, and environmental and public health conditions.

Under existing law the Energy Commission, in consultation with certain state agencies, departments, and boards with jurisdiction over matters affecting climate change, is required, by January 1, 2002, to update the inventory of greenhouse gas emissions from all sources located in the state, as identified in a specified report, to update its inventory every 5 years, and to report on the updated inventory to the Governor and the Legislature. Existing law requires the Energy Commission to conduct at least one public workshop prior to finalizing each updated inventory and to post its report and inventory on the Internet. Existing law additionally requires the Energy Commission to convene an interagency task force consisting of state agencies with jurisdiction over matters affecting climate change to ensure policy coordination for those activities, and to establish a climate change advisory committee, as provided, to make recommendations to the Energy Commission on the most equitable

and efficient ways to implement international and national climate change requirements, as provided.

This bill would delete the above-described requirements and instead require that the Energy Commission update its inventory of emissions of greenhouse gases to supplement the information collected by the state board and enable the state board to maintain a reasonably comprehensive inventory of the state's emissions of greenhouse gases.

Legislative Counsel's Digest: AB 2271

AB 2271, as amended, Koretz. Household batteries: recycling.

The Rechargeable Battery Recycling Act of 2006 requires, on and after July 1, 2006, a retailer, who is defined as a person who makes a retail sale of a rechargeable battery to a consumer in this state, to have in place a system for the acceptance and collection of used rechargeable batteries for reuse, recycling or proper disposal. Existing law prohibits the sale by a retailer of a rechargeable battery to a consumer after July 1, 2006, unless the retailer complies with that act. This bill would enact the California Household Battery Recycling Act, define terms, and establish a refund value of 10¢ for every household battery subject to the act. The bill would require a distributor of household batteries to pay the refund value to an unspecified department for every household battery sold or offered for sale, in this state, or imported into this state, by the distributor.

The bill would require the department to deposit all amounts paid as refund values by distributors into the California Battery Recycling Fund, which the bill would create in the State Treasury. The bill would continuously appropriate the money in that fund to the department for expenditure without regard to fiscal year to make specified payments and grants pursuant to the act, as specified.

The bill would require the department to certify the operations of a battery recycler pursuant to regulations that the department would be required to adopt and would require a battery recycler to comply with those regulations. The bill would prohibit the department from taking any action imposing any requirements upon, or otherwise regulating, a battery recycler, unless the action is expressly authorized by the act. The bill would require the department to pay the refund value to a certified battery recycler, for every used household battery received by the recycler from a certified battery collector, as defined, and would require a certified battery recycler to pay the applicable refund value for each used household battery received by the recycler from a certified battery collector.

The bill would require the department to certify battery collectors,

in accordance with the regulations that the department would be required to adopt. The bill would require battery collectors to comply with those regulations. The bill would require a certified battery collection center, as defined, to accept from any consumer, collection program, or curbside program any used household battery and to pay to the consumer or collection or curbside program the refund value for that used household battery. The bill would authorize a curbside program or a collection program to accept a used household battery from a consumer but would not authorize the program to pay the consumer the applicable refund value.

The bill would require the department to develop and implement a public education campaign. The bill would require the department, if it determines that specified goals regarding the diversion of household batteries from disposal are not being met, to make recommendations to the Legislature regarding increasing the refund value or establishing additional battery collection centers.

The bill would require a battery recycler and a distributor to submit monthly reports to the department and would require a retailer to post a specified sign provided by the department at every public entrance to the retailer's place of business.

The bill would require the department, if any type of household battery container has a scrap value less than the cost of collection and recycling, to establish a collection payment and a recycling payment for the battery, by the type and size of the battery, using specified criteria. The bill would require the department to pay the amount of the recycling payment to a certified battery recycler, for every used battery received by the recycler from a certified collection center, curbside program, or collection program and would require the certified battery recycler to pay a collection payment to the certified collection center, collection program, or curbside program, for each used household battery received by the recycler.

The bill would provide that if the department determines that there are insufficient funds in the California Battery Recycling Fund to make those recycling payments, the bill would require the department to impose a battery recycling fee upon battery manufacturers. The bill would require a battery manufacturer to pay the department the applicable battery recycling fee for every battery sold or transferred to a distributor or retailer and would require the department to deposit the battery recycling fee revenues in the fund.

The bill would authorize the department to expend the money in the fund for the payment of refund values and recycling payments to recyclers. The bill would allow the department to expend money from the fund for the administration of the act only upon appropriation by the Legislature in the annual Budget Act.

The bill would require the department, after setting aside funds estimated to be needed for those payments and a reserve for

contingencies, to expend the remaining money in the fund in a specified manner, of which, \$5,000,000 may be expended annually on and after July 1, 2007, for payments to cities and counties for battery collection and recycling activities, \$1,500,000 on and after July 1, 2007, for grants to collection programs, \$5,000,000 annually for undertaking a statewide public education and information campaign, and \$5,000,000 annually, until January 1, 2010, for issuing grants or loans for recycling market development and expansion-related activities aimed at increasing the recycling of batteries and the utilization of materials from used batteries.

Legislative Counsel's Digest: AB 3001

AB 3001, as amended, Pavley. Electronic waste: personal
Computers

(1) Existing law, the Electronic Waste Recycling Act of 2003, requires a retailer selling a covered electronic device in this state to collect a covered electronic waste recycling fee from the consumer, as specified. Under existing law, the fees are deposited in the Electronic Waste Recovery and Recycling Account, and the California Integrated Waste Management Board and the Department of Toxic Substances Control are continuously appropriated the money in the account to make electronic waste recovery payments and recycling payments and to make payments to manufacturers, to cover the costs of collecting, consolidating, transporting, receiving, processing, and recycling covered electronic waste in this state, as specified.

Existing law defines the term "covered electronic device" as a video display device containing a screen greater than 4 inches, measured diagonally, that is identified in the regulations that the Department of Toxic Substances Control is required to adopt to identify electronic devices, as defined, that the department determines are presumed to be, when discarded, a hazardous waste pursuant to the hazardous waste control laws.

A violation of the electronic waste recycling act is a crime.

This bill would provide that, on and after July 1, 2007, a covered electronic device also includes a personal computer, as defined, thereby imposing a state-mandated local program by creating new crimes. The bill would require a retailer to collect of fee of \$6 from the consumer at the time of the retail sale of the personal computer, except as specified. The bill would make conforming changes to the act with regard to those electronic devices.

The bill would make an appropriation, as the fees imposed on the sales of personal computers would be deposited in the continuously appropriated account.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.



CITY COUNCIL STAFF REPORT

MEETING DATE: May 3, 2006

SUPPORT OF COUNTY PARKS CHARTER MEASURE

RECOMMENDED ACTION(S):

Adopt Resolution Supporting County Parks Charter Amendment Measure

EXECUTIVE SUMMARY: At their meeting on April 24, 2006, the Utilities and Environment Subcommittee evaluated the County measure extending the funding for County parks. The Park Charter is not a new or additional tax. It is a small set-aside of existing property taxes that is devoted to the management and expansion of the Santa Clara County Park system. The fund has been the primary source of funding for County Parks since 1972 and was last renewed by over 80% of the voters. The current set-aside equates to less than 1% of the County's total budget.

In the next 20 years, the County is projected to grow by another 400,000 residents to a population of over 2 million. The Park Charter is vital to:

- Protect watersheds and natural areas of outstanding scenic quality;
- Assure that the current and future community needs are met; and
- Contribute to the "quality of life" for County residents.

The Park Charter provides stable revenue for your County Parks system, which includes over 260 miles of trails, 10 reservoirs, and almost 45,000 acres in 28 regional parks. Parks particularly close to Morgan Hill include Mt. Madonna, Anderson Reservoir, and Uvas Canyon.

The Utilities and Environment Subcommittee recommends that the Council adopt the attached resolution supporting the ballot measure.

FISCAL/RESOURCE IMPACT: No budget adjustment is requested for this item. The preparation of this staff report is an included activity in the work program of the Public Works Department.

Agenda Item # 6

Prepared By:

Program Administrator

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: May 3, 2006

BI-ANNUAL VACANCY RATE SURVEY

RECOMMENDED ACTION(S): Establish the bi-annual vacancy rate for April 2006 as recommended by the Planning Commission.

EXECUTIVE SUMMARY: According to the Morgan Hill Municipal Code, Chapter 17.36 relating to Condominium Conversions, the apartment vacancy rate shall be established in April and October of each year on the basis of a representative sampling of apartment buildings. The vacancy rate survey must be reported to both the Planning Commission and the City Council.

The most recent multi-family housing estimates from the State Department of Finance indicate a total of 1,754 multi-family units. Survey results account for over 50% of all such units; senior housing units are not included in the sampling but are included as supplemental information. Also, for general information purposes, included is a brief summary of current rent rates as compared to rent rates reported six months ago.

The survey has been completed and is attached. On April 25, 2006, the Planning Commission accepted the survey results which established the vacancy rate for April 2006 at 3.73%. This rate is slightly higher than the previous rate of 3.46% established in October 2005. It is recommended that the Council accept the Planning Commission's survey findings.

FISCAL IMPACT: No Fiscal Impact.

Agenda Item # 7

Prepared By:

Municipal Services Assist.

Approved By:

BAHS Director

Submitted By:

City Manager



REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: May 3, 2006

CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT MARKETING PLAN FOR FY06-07

Agenda Item # 8

Prepared By:

BAHS Director

Submitted By:

Executive Director

RECOMMENDED ACTION(S): Adopt the Council Community and Economic Development Committee's (C&ED) recommendation to authorize the Executive Director to allocate \$125,000 in the BAHS FY06-07 budget for the Morgan Hill Chamber of Commerce's Economic Development Partnership Program.

EXECUTIVE SUMMARY:

The Morgan Hill Chamber of Commerce (Chamber) has been providing supplementary economic development (ED) services to the City/Redevelopment Agency for over ten years. Under the current contract for FY05-06, the Chamber provides the following services:

- Implementing business retention program
- Implementing a marketing/advertising strategy
- Implementing an advertising campaign such as the "Shop in Morgan Hill" campaign
- Preparing and maintaining marketing materials
- Planning and coordination of economic development related events (e.g., ICSC booth)
- Maintaining a real property database on their website
- Working with the tourism advisory committee and market/advertise special events
- Conducting an analysis to determine the needs of renewable resource companies in town and how best to nurture those industries
- Evaluating strategies for regional economic development efforts in South County

For FY06-07, the Chamber has developed three proposals (see attached). Proposals A and B request funding significantly higher than the current level. The majority of the increase is related to hiring a new ED professional to aggressively "market" the City. This approach would represent a change in existing economic development priorities as identified in the adopted Economic Development Strategy. However, given the uncertainty in Agency funding, the Chamber is seeking support of its Proposal C.

Under Proposal C, the chamber staff acts as the ED professional in a more limited role when compared to Proposals A and B, but would have many of the same responsibilities as under the current agreement. The specific role and responsibilities of Chamber staff would be further defined prior to bringing the agreement to the Agency for consideration. Another significant difference in Proposal C when compared to the current level of services is that the Chamber has \$36,000 budgeted for regional tourism efforts with the Gilroy Visitor Bureau. Staff and C&ED support this approach, which is a task under the current agreement with the Chamber.

The C&ED has discussed the merits of the three proposals with the Chamber and recommends that the funding for Proposal C be included in the FY06-07 budget. The C&ED agrees that the uncertainty associated with Agency funding would suggest a more prudent approach of maintaining the same level of funding at \$125,000 with modifications to the scope and delivery of services. However, the C&ED stated that proposals A and B would warrant a future discussion if the Redevelopment Plan is amended.

FISCAL IMPACT: If approved, the proposed BAHS FY06-07 economic development budget (Fund 317) will allocate \$125,000 for this service. The agreement with the Chamber would be brought to the Agency for consideration in July 2006.



REDEVELOPMENT AGENCY

MEETING DATE: *May 3, 2006*

Agenda Item # 9

Prepared By:

BAHS Manager

Approved By:

BAHS Director

Submitted By:

Executive Director

COMMUNICATIONS FIRM- JDS GROUP

RECOMMENDED ACTION(S):

Authorize the Executive Director to negotiate and execute a contract with JDS Group, in an amount not to exceed \$55,000.

EXECUTIVE SUMMARY:

The Morgan Hill Redevelopment Agency (Agency) is in the process of amending its Redevelopment Plan (Amendment). As part of the process, staff would conduct a community outreach/education effort to provide the community with a better understanding of redevelopment in general, the Plan Amendment process, the Agency's activities, and past accomplishments.

At the April 26th Agency meeting, staff indicated it was interviewing firms to assist with the development and implementation of a communication strategy (Plan) for the Redevelopment Agency's plan amendment and accomplishments. Staff recommends contracting with JDS Group for this communication and education assignment. JDS proposes to develop and execute all elements of a public communication/education program about the Agency. Components include but are not limited to, development of a strategic plan of action which includes a neighborhood outreach program, management of the creation and production of all collateral materials, and development of relationships with the media and key stakeholders (see the attached scope of work). The development of collateral materials is not included in this contract and is estimated to cost up to \$35,000. This cost will be further refined after the strategic plan is complete.

Our initial estimate was \$50,000 for the development and implementation of a Plan including collateral materials, but we had envisioned a less extensive community outreach approach than is now proposed. This approach was also reinforced in our interviews with the four communication firms. Staff believes a more intensive community outreach education/communication effort is warranted for the Agency, especially given what is at stake and the need to address perceptions raised during the community conversation process.

Although only two of the four firms interviewed gave us a specific estimate, they were in essence the same. However, another firm did provide a list of contracts with other clients and the costs ranges from \$50,000-\$100,000 for similar services. JDS Associates has worked with other public agencies, including the San Jose Redevelopment Agency, to educate the general citizenry, citizens groups, the press and other stakeholders about redevelopment. As a result of its efforts, people were left with a better understanding about redevelopment.

FISCAL IMPACT:

Sufficient funds for this agreement are available in the BAHS FY2005-2006 budget (Fund 317).



**Joint Special & Regular City Council and
Special Redevelopment Agency Meeting**

MEETING DATE: May 3, 2006

AGENDA ITEM #10

**APPROVE JOINT SPECIAL AND REGULAR
CITY COUNCIL AND REGULAR
REDEVELOPMENT AGENCY MEETING
MINUTES FOR APRIL 19, 2006**

Minutes will be provided under separate cover.



CITY COUNCIL STAFF REPORT

MEETING DATE: May 3, 2006

GENERAL PLAN AMENDMENT & REZONING APPLICATIONS GPA 06-01/ZA 06-02: LAUREL-CITY OF MORGAN HILL.

RECOMMENDED ACTION(S):

1. Open/close Public Hearing
2. Adopt Mitigated Negative Declaration
3. Adopt Resolution Approving General Plan Amendment
4. Waive the First and Second Reading of Ordinance
5. Introduce Ordinance Rezoning the subject parcel

EXECUTIVE SUMMARY: A request to amend the General Plan land use designation from Multi-family Low (5-14 units/ acres) to Commercial, and Rezoning from R-2 3,500 (Medium Density Residential) to CG (General Commercial) for an approximately 13,500 square foot specialty grocery store (*Trader Joe's*) to be located on a 2.66-acre parcel (APN 726-43-006) adjacent to and northerly of the Laurel Rd./Walnut Grove Dr. intersection.

A total of 531 acres are designated Multi-family Low within the General Plan. A change in land use from Multi-family Low to Commercial for a 2.66 acre parcel would have minimal impact on the overall supply of land dedicated to this land use category. Further, a survey completed in May 2004 indicated that there were approximately 202 acres of vacant land with a Multi-family Residential Low General Plan designation. The proposed General Plan Amendment and associated Rezoning is consistent with General Plan Land Use goals of concentrating commercial uses near major intersections and multi-family residentially designated land. Consistent with the City's General Plan Land Use and Economic Development goals and policies, the proposed change would encourage the expansion of existing businesses, generate new revenue sources and add to the City's fiscal stability and economic diversity. The CG District is a companion zoning designation to the Commercial General Plan designation. Retail uses such as grocery stores are principally permitted in this district.

An Initial Study has been prepared which addresses not only the General Plan Amendment and Rezoning, but also the project itself. The Initial Study concludes that all impacts can be reduced to less-than-significant levels with the incorporation of mitigation measures. A Mitigated Negative Declaration can therefore be adopted. The required 20-day public review period began on April 11th and concludes on May 1st.

On April 25th, the Planning Commission voted 5-1 (Acevedo opposed, Benich absent), recommending adoption of the Mitigated Negative Declaration and approval of the General Plan Amendment and Rezoning. A copy of the Planning Commission staff report is attached. The timing of the hearing dates did not allow for the Planning Commission minutes to be included with this agenda item. It should be noted that Commissioner Acevedo did not object to the General Plan Amendment and Rezoning, but rather the motion which included language requiring the Mitigated Negative Declaration to return to the Planning Commission if negative comments are received between the date of their hearing and the end of the comment period.

FISCAL IMPACT: Approval of the General Plan Amendment and Rezoning will allow for a business that will generate sales tax revenue.

Agenda Item # 11

Prepared By:

Senior Planner

Approved By:

**Community
Development Director**

Submitted By:

City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING OF GENERAL PLAN AMENDMENT GPA-06-01: LAUREL-CITY OF MORGAN HILL TO AMEND THE GENERAL PLAN LAND USE DESIGNATION FROM MULTI-FAMILY LOW (5-14 UNITS/ACRES) TO COMMERCIAL ON A 2.66-ACRE PARCEL (APN 726-43-006) ADJACENT TO AND NORTHERLY OF THE LAUREL ROAD/WALNUT GROVE DRIVE INTERSECTION.

WHEREAS, such request was considered by the City Council at their regular meeting of May 3, 2006, at which time the City Council approved GPA-06-01: Laurel-City of Morgan Hill; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The General Plan Amendment is consistent with the General Plan.

SECTION 2. An Initial Study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A Mitigated Negative Declaration is hereby adopted.

SECTION 3. The General Plan Amendment conforms with Goals 7 & 9 of the Land Use Section and Goal 1 of the Economic Development Section of the Community Development Element of the General Plan. The amendment would provide an additional commercial use near multi-family residentially designated land, as well as the Highway 101/Dunne Avenue intersection, not significantly impact the City's supply of vacant multi-family residential low density designated land and facilitate a strong, stable and diverse economic base.

SECTION 4. Future development of the General Plan Amendment area shall comply with the adopted Mitigated Negative Declaration.

SECTION 5. The City Council hereby approves a General Plan Amendment to change the land use designation from Multi-Family Residential Low to Commercial for one parcel totaling 2.66 acres in size, as shown on attached Exhibit 'A'.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 3rd Day of May, 2006 by the following vote.

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

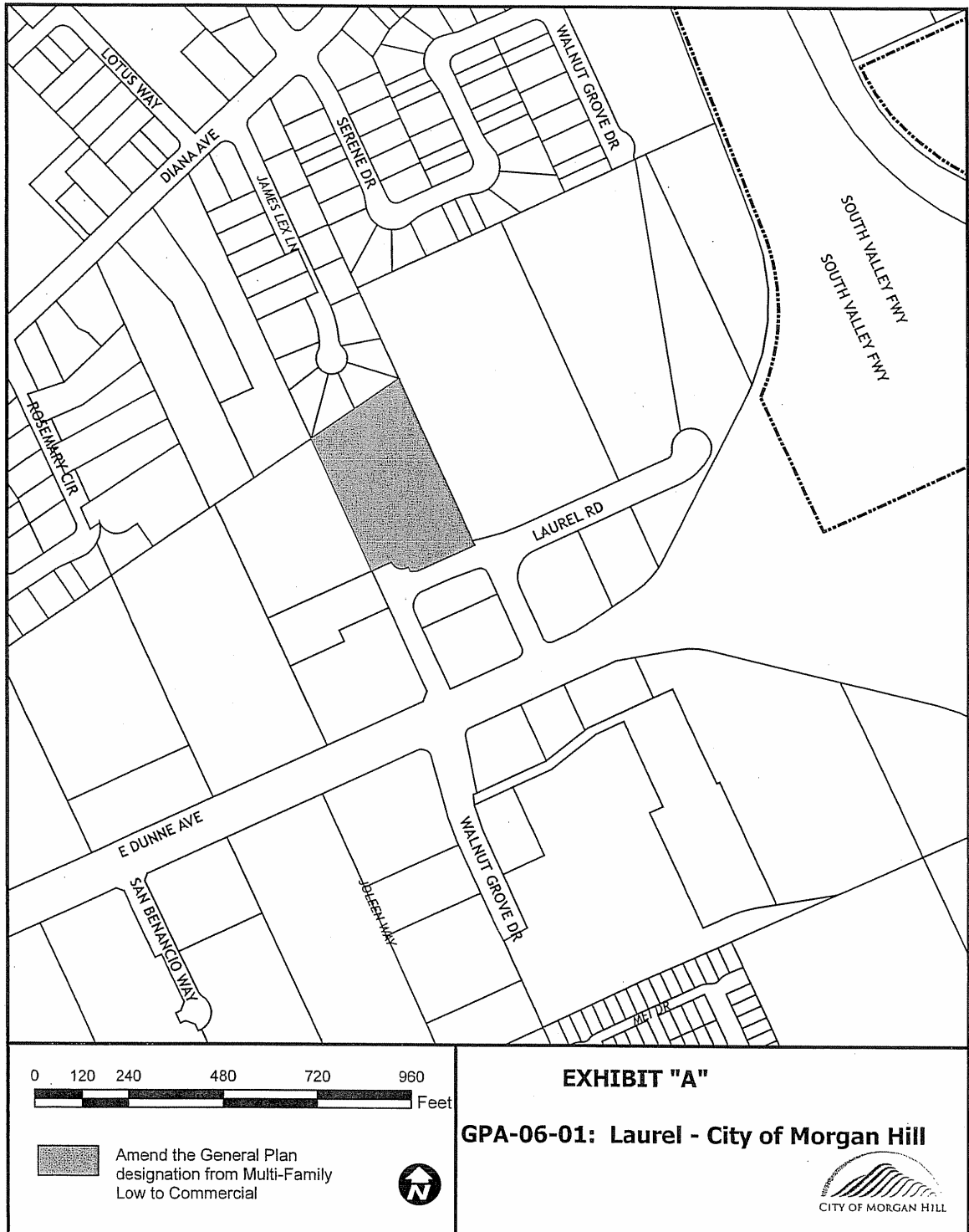
🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on May 3, 2006.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL TO AMEND THE ZONING DESIGNATION FROM R-2 3,500 (MEDIUM DENSITY RESIDENTIAL) TO CG (GENERAL COMMERCIAL) ON A 2.66-ACRE PARCEL (APN 726-43-006) ADJACENT TO AND NORTHERLY OF THE LAUREL ROAD/WALNUT GROVE DRIVE INTERSECTION (ZONING AMENDMENT APPLICATION NO. ZA-06-02: LAUREL – CITY OF MORGAN HILL)

- SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An Initial Study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A Mitigated Negative Declaration is hereby adopted.
- SECTION 4.** The City Council hereby approves an amendment to the zoning designation from R-2 3,500 (Medium Density Residential) to CG (General Commercial) for one parcel totaling 2.66-acres as shown on the attached zoning plat (Exhibit A).
- SECTION 5.** Future development of the zoning amendment area shall comply with the mitigation measures of the adopted Mitigated Negative Declaration.
- SECTION 6.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- SECTION 7.** Effective Date; Publication. This Ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 3rd Day of May 2006, and was finally adopted at a regular meeting of said Council on the Day of May 2006, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

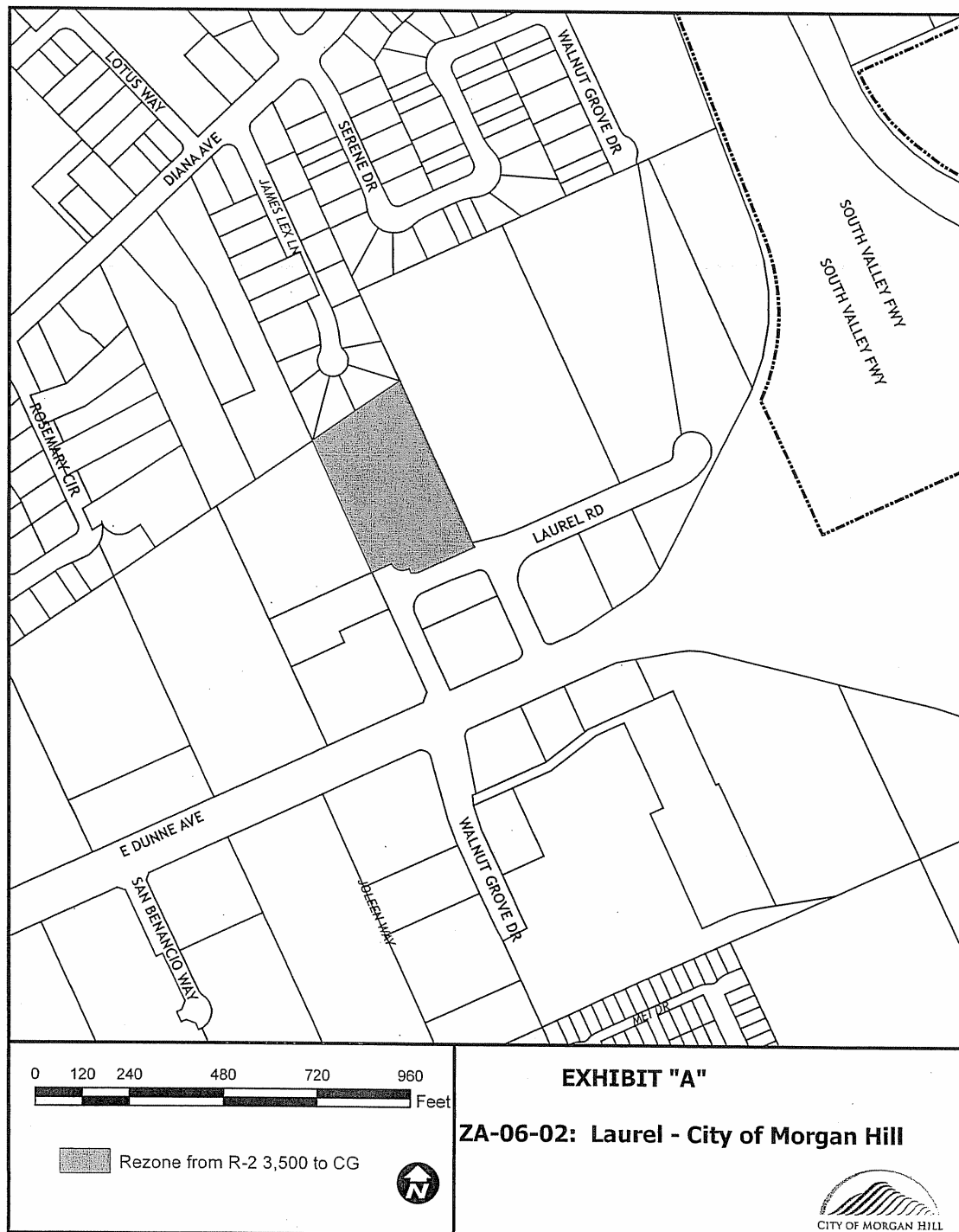
⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the Day of May 2006.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk





CITY COUNCIL STAFF REPORT

MEETING DATE: May, 3, 2006

CENTENNIAL RECREATION CENTER YMCA OPERATING AGREEMENT

RECOMMENDED ACTION:

Authorize the City Manager to execute a contract with the YMCA of Santa Clara Valley for the operation of the Centennial Recreation Center's Health/Fitness and Senior Programs.

EXECUTIVE SUMMARY:

On February 15, 2006, the City Council directed staff to negotiate a partnership with the YMCA of Santa Clara Valley to jointly operate the Centennial Recreation Center (CRC). The parties developed an Operating Agreement that addresses the City Council's objectives for the facility, while ensuring that Morgan Hill residents have access through memberships, daily passes, and programs.

Risk Sharing: The Agreement includes a cooperative budget process and is structured so the City and YMCA share the financial risks and rewards of the partnership portion of the annual budget. For any net operating gain, the YMCA will receive 40 percent. Conversely, the YMCA will also be responsible for 40 percent of any net operating loss (please refer to the attached memorandum for additional information).

City's Ultimate Authority: The City will hire a Recreation Supervisor responsible for all CRC operations and to ensure all CRC staff work as one, high performing team. In the event that any operational disputes arise that cannot be resolved, the City Manager shall resolve the dispute after consulting with the YMCA CEO.

YMCA'S Scholarship Financial Support: The YMCA will raise funds through its Community Support Campaign to subsidize the Senior Nutrition Site and will offer scholarships for YMCA teen programs (above and beyond City teen programming).

Five Year Term with Performance Measurements and Evaluation Criteria: The initial agreement is five years. Either party may request early termination with a six month notice after June 30, 2009. The Agreement also allows for subsequent five year terms upon written mutual agreement and satisfactory performance. The parties will evaluate and report on CRC operations annually according to mutually agreed upon criteria.

YMCA's Continued Operation of the Senior Nutrition Program: The YMCA will contract with the County to provide a Senior Nutrition Site at the CRC. The City will provide an annual stipend to the YMCA for the operation of the Senior Center core program.

Three Year Cost Recovery Projection: The long-term, financial success of the Agreement is directly based on the ability to attract and retain CRC members. Membership prices and sales assumptions are based on the January 2006 City and YMCA market study. Staff and YMCA representatives anticipate a significant growth in memberships during FY 07/08, and are striving to achieve cost recovery by FY 08/09 (please refer to the attached memorandum for additional information).

FISCAL IMPACT:

Staff is working to finalize the CRC's FY 06/07 operating budget. The initial budget will be based on eight months of operations since the facility is not formally scheduled to open until November 1, 2006. When appropriate, expenses have been minimized, however there may be lower than anticipated revenue due to the later opening.

Agenda Item # 12

Prepared By:

Director of Recreation
and Community
Services

Submitted By:

City Manager



Memorandum

Recreation and Community Services Department

Date: April 26, 2006

To: Ed Tewes, City Manager

From: Steve Rymer, Director of Recreation and Community Services

Subject: Centennial Recreation Center YMCA Operating Agreement

The City Council will be considering the Centennial Recreation Center YMCA Operating Agreement to jointly operate the facility. The purpose of this memorandum is to provide the City Council with additional information about the Agreement's significant issues.

Risk Sharing

The Agreement includes a cooperative budget process and is structured so the City and YMCA share the financial risks and rewards of the partnership portion of the annual budget. The operating budget will be developed to account for both fee based and non-fee based activities. Fee based activities will include health/fitness, gymnasium, aquatics, and other program revenues. Non-fee based will include the Senior Center, Senior Nutrition, Teen Center, administration, and building operations (utilities, cleaning, etc.).

When the annual operating budget is developed each year, the parties will agree to the revenues and expenses that are directly related to the partnership. Once this is established, the YMCA will be responsible to meet the revenue projections within the allocated expenses. At the conclusion of a fiscal year, the partnership budget will be reconciled against the approved revenue and expense figures. For any net operating gain in the partnership portion of the budget, the YMCA will receive 40 percent of the revenue. Conversely, the YMCA will also be responsible for 40 percent of any net operating loss.

It is important to recognize that the partnership portion of the budget could realize a net operating gain, while the overall CRC budget does not. This is due to the fact that the City is responsible for 100 percent of non-fee based activities. For example, the City will continue to subsidize Senior Programs, but it will now be included as a CRC operating expense of \$75,000 instead of a Recreation Administration expense. The same principle holds true for the Senior and Teen Centers that will be available for community use without requiring the purchase of a membership or daily pass. Additionally, all City administrative expenses and physical plant operational expenses will be the responsibility of the City.

The City will have the opportunity to generate revenue through aquatics programming at the CRC. All revenue from this activity area is outside of the partnership budget and will not be included in the annual partnership reconciliation.

Cost Recovery

The long-term, financial success of the Agreement is directly based on the ability to attract and retain CRC members. As a membership driven facility, policies will be developed to balance the need to generate significant membership revenue with non-fee based community access. As proposed, the Agreement includes a membership processing fee. The purpose of this is twofold. First, 50 percent of the fee will go directly to the YMCA if a member chooses to have full access to the other Santa Clara Valley YMCAs. If not, 100 percent of the fee will be accounted for as partnership revenue. Second, the processing fee is to encourage membership retention and discourage members from starting and stopping their memberships on a monthly basis. At other YMCAs, existing members are charged a new processing fee if they let their memberships lapse for more than one month. Without the fee, it may be more difficult to manage membership numbers, accurately forecast future revenues, and determine appropriate operational staff levels.

Membership prices and sales assumptions are based on the January 2006 City and YMCA market study. Staff and YMCA representatives anticipate a significant growth in memberships during FY 07/08, and are striving to achieve cost recovery by FY 08/09. It is the goal of the partnership that the entire CRC budget, including both fee based and non-fee based activities, will achieve full cost recovery. This is an ambitious goal in recognition of the fact that the majority of public recreation facilities do not recover all of their costs. However, with proper management, high quality customer service, and creative programming, City staff and YMCA representatives believe it is possible.

Management Structure

The CRC's management structure will consist of three primary supervisors; CRC Supervisor, Aquatics Supervisor, and an Associate CRC Supervisor. The City will hire the Recreation Supervisor responsible for all CRC operations and to ensure all CRC staff work as one, high performing team. The Aquatics Supervisor will manage the CRC pool and its activities as an extension of current responsibilities at the Aquatics Center. The Associate CRC Supervisor will be hired by the YMCA to directly oversee health/fitness and Welcome Center (membership desk) responsibilities.

This unique management structure will require sound leadership, open communication, and a clear understanding of responsibilities to ensure that it is successful. The Recreation and Community Services Director in partnership with the YMCA's Vice President of Operations will be responsible to work in good faith and in the spirit of the partnership to meet the CRC's operating goals.